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THE RAPID PROGRESS OF THE CHINESE PEOPLE

ALONG THE ROAD OF BUILDING SOCIALISM

- COMMUNIST CHINA -

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THE RAPID PROGRESS OF THE CHINESE PEOPLE  
ALONG THE ROAD OF BUILDING SOCIALISM\*

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I.

Ten years have elapsed since the founding of the People's Republic of China in 1949. During that period, the Chinese people have achieved a great, decisive victory in the socialist revolution and socialist construction under the leadership of the Chinese Communist Party and comrade Mao Tse-tung.

As you all know the socialist revolution on the economic front in China--that is, the socialist transformation of the means of production in agriculture, handicraft industry, and capitalist industry and commerce--was basically accomplished by the end of 1956. The individual small-farm economy and handicraft economy were transformed into a socialist, collective economy, while the capitalist sector was changed into a state-controlled, jointly-operated public-private economy. This served to basically root out private ownership of the means of production, put an end to the history of class exploitation which prevailed for thousands of years, and built a socialist system with great vitality.

Immediately following the victory in the socialist revolution on the economic front, during the period of 1957 and 1958, the Chinese Communist Party further led the people throughout the nation to launch a rectification campaign

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and counter-rightist fights, and achieved victory in socialist revolution on the ideological and political fronts. This revolutionary campaign has greatly elevated the consciousness of the masses toward socialism and communism, further adjusted internal relationships among the people, weakened the reactionary influence of the exploiting classes in society and solidified the socialist system. The all-round victory of the socialist revolution on the economic, political and ideological fronts has certainly exercised a great and profound influence on the rapid development of social productive power.

Socialist construction in China has been carried out in conjunction with the Chinese socialist revolution. During the three years from 1949 to 1952, the Chinese people were engaged in economic rehabilitation work to enable the output of principal industrial and agricultural products to reach or surpass the highest levels established before liberation. From 1953 to 1957, China implemented the First Five-Year Plan. During the period of that plan, the national economy made rapid progress.

In 1957, the gross value of industrial output (hereafter it includes the output of handicraft industry) scored an increase of 128 percent compared with 1952, or an annual increase of 18 percent (an annual increase of 19.2 percent if the output of handicraft industry is excluded), while the gross value of agricultural production increased by 25 percent, or an annual rate of increase of 4.5 percent.

The victorious consummation of the First Five-Year Plan laid a primary foundation for socialist industrialization in China. Since 1958, China has proceeded on construction under the Second Five-Year Plan. Under the beacon of the Party's general line for socialist construction to go all-out, press consistently forward, and to get more, faster, better and more economical socialist construction, the national economy made a great leap forward in 1958. During that year, the gross value of industrial output increased by 66 percent while that of agricultural output increased by 25 percent. These rates far surpassed the average annual increase rates achieved during the First Five-Year Plan. The great leap forward in 1958 was a great experience in socialist construction for the more than 600 million people. From that experience, we have found a road by which the national economy may be developed at a still higher speed than in the period of the First Five-Year Plan.

On the basis of the great leap forward in 1958, our national economy has continued to leap forward in 1959. According to the recently adjusted targets set by the Central Committee of the Chinese Communist Party and the Central Government, the gross value of industrial output in 1959 is to increase by 25.6 percent and that of agricultural output by 10 percent.

In the first half of 1959, the gross value of industrial output increased by 65 percent compared with the corresponding period in 1958. Of that, the value of steel production registered an increase of 66 percent and that of coal was more than doubled. Despite serious natural calamities, the summer agricultural crops (wheat, coarse grains, early rice) harvested reached 139 billion chin, exceeding the 1958 summer bumper crops of 136.5 billion chin by 2.5 billion chin. Based on the present situation, we expect that the planned targets for 1959 will be fulfilled or overfulfilled.

Comparing the expected level in 1959 with that in 1949--the year when the new China was founded--the gross value of industrial production of the nation will increase 10.7 times and that of agricultural output will rise 1.5 times. The expected outputs of four principal products--steel, coal, grain and cotton--in 1959 and their increases over the 10 year period are expected to be as follows:

Steel: 12 million tons, an increase of 75 times over the 1949 level, or 12 times compared with the peak output before liberation;

Coal: 335 million tons, an increase of 9.3 times over the 1949 level, or 4.4 times compared with the peak output before liberation;

Grain: 550 billion chin, an increase of 1.5 times over the 1949 level, or double the peak output before liberation;

Cotton: 46.2 million tan, an increase of 4.2 times over the 1949 level, or 1.7 times compared with the peak output before liberation.

Thanks to the great leap forward in 1958 and the continuous leap forward in 1959, the output of principal industrial and agricultural products such as steel, coal,

metallurgical equipment, power-generating equipment, metal-cutting machine tools, cotton yarn, timber, machine-made paper, grain and cotton in 1959 will all reach, surpass or come close to the targets set for completion in 1962 under the Second Five-Year Plan. This means that in respect to the principal targets, we shall be able to fulfill the original Second Five-Year Plan within a period of two years.

In the subsequent three years, therefore, we may greatly enhance the targets of the Second Five-Year Plan and make greater efforts to strengthen the weak links in the national economy so as to realize the slogan of "reaching the British level of output of principal industrial products in 15 years" within 10 years, and so that we can fulfill the targets in the Program for Agricultural Development well ahead of 1967, the year originally set. (The yield of grain per mou is to reach 400 chin, 500 chin and 800 chin in the various regions and the yield of cotton per mou is to reach 40 chin, 60 chin, 80 chin and 100 chin).

After a decade of socialist construction, the national economy of China has revealed a great change. Before liberation, the output value of the modern industry sector in China constituted only a little over 10 percent of the gross value of industrial and agricultural output; while in 1958 the output value of the modern industry sector increase to 47 percent and that of all industry sectors reached 63.6 percent.

Before liberation, not only were there very few industrial enterprises but these enterprises were mostly light in character. The heavy industry base was very weak, consisting mainly of machine repair plants established by imperialist countries in China and some mines and factories supplying raw materials or semi-finished products to imperialist countries.

At present, we have greatly expanded the metallurgical, coal, electric power, oil-refining, chemical and building material industries. We have also established industries for producing alloy steels, refining ferrous metals, and manufacturing power-generating equipment, metallurgical and mining equipment, aircraft, automobiles and modern machine tools, which never occurred in China. In 1958, the value of heavy industry production rose to 57 percent of the total industrial output value.

Before liberation, the geographical distribution of Chinese industry was very irrational. Over 70 percent of the industrial enterprises were concentrated in a few coastal provinces, while in the rest of the nation there were only a few industrial enterprises and in some areas there was no modern industrial establishment at all. Now, a great change has taken place. Aside from the fact that the original industrial bases have been strengthened, a number of new industrial bases have been established in the northern, northwestern, central, and southwestern regions. Through the campaign of promoting industry in 1958 by the whole people, a great majority of cities and towns in the nation have established medium and small-sized factories in adapting to local needs.

All these factors mentioned above prove that we are advancing in an era of a great leap forward in the history of China.

## II.

To increase the speed of developing the national economy in order to realize socialist industrialization and agricultural modernization, and to change her poor and backward characteristics within a relatively short period has been a very important problem demanding a sound solution since the founding of the new China.

The Chinese people have a strong desire for a high-speed development of social production. China was formerly a country characterized by the extreme backwardness of its economy and culture, even more backward than Czarist Russia. The Chinese people had long suffered from the exploitation and oppression of the imperialists, feudal lords and bureaucratic capitalists, and lived in the midst of poverty and distress. However, they are industrious and brave. Once they overthrew a reactionary government and controlled their own affairs, they revealed great initiative and an active spirit in developing social production. Following the victory in socialist revolution on the various fronts, such initiative and active spirit of the broad masses has been greatly elevated.

The histories of the Soviet Union and other socialist countries have proved that the adoption of a socialist system may enable a national economy to develop at a speed

unprecedented in human history. The socialist revolutionary victory on the economic, political and ideological fronts in China has opened up a broad highway for the development of social productive power.

China is not devoid of mineral, water-power and labor resources. On the contrary, she is rich in such resources. Since liberation, China has further obtained tremendous assistance and has learned advanced experiences from the Soviet Union. This explains that not only do we have the strong desire to achieve a high-speed development of the national economy, but also that we possess a number of favorable conditions.

The decision on the speed of construction in China was made after the Central Committee of the Chinese Communist Party and comrade Mao Tse-tung has proposed the general line for socialist construction. It is well known that at the Second Session of the Eighth Congress of the Chinese Communist Party convened in May 1958 the general line of going all-out and pressing consistently forward to get more, faster, better and more economical socialist construction was decided upon. The basic principles of the general line are: to mobilize all positive factors to correctly dispose of internal contradictions among the people; to consolidate and expand the socialist all-people ownership and collective ownership, and solidify the proletarian dictatorship and the international union of the proletariat; to gradually carry out technical revolution and cultural revolution side by side with the consummation of the socialist revolution on the economic, political and ideological fronts.

And, to develop both industry and agriculture with priority for the development of heavy industry; to develop simultaneously central government controlled industry and local industry, and large-sized industry and medium and small-sized industry under the conditions of unified leadership, overall planning and division of labor and mutual assistance; and through the carrying out of these measures to quickly transform China into a great socialist country with modernized industry, agriculture and science and culture.

The general line for socialist construction reflect the objective requirements for the development of a socialist economy in China. It also represents the collective will of her more than 600 million people in carrying out high-speed

development of the national economy, and crystallization of the practical struggle experiences of the people acquired in the last few years.

The Party's general line for socialist construction has played a significant role in pushing forward practical work. This is because it is a line by which all positive factors can be mobilized. To make more than 600 million people go all-out and press consistently forward will inevitably bring about an unestimable, huge force. This spirit is embodied in every fundamental principle in the Party's general line for socialist construction.

Take the principle of simultaneous development of industry and agriculture as an example. It is a principle of mobilizing the initiative of the overwhelming majority of working people throughout the country, especially the more than 500 million farmers. China is a large agricultural country with more than 500 million farmers. They constitute a great force allied with the working class in pursuing revolutionary struggles and socialist construction. Mobilizing the initiative of those farmers will be of decisive significance in achieving victory in socialist construction.

The adoption of the principle of simultaneous development of industry and agriculture is aimed at mobilizing the entire working class to vigorously develop industry and support agriculture on the one hand, and to mobilize all the peasants to energetically expand agriculture and support industry on the other. Furthermore, in the course of carrying out the principle in 1958, after the advent of the establishment of the people's communes, the broad mass of peasants started a large number of small-sized industry in accordance with local needs and possibilities. This resulted in an emergence of industrial establishment everywhere in China.

Take the principle of simultaneous development of central government controlled industry and local industry and simultaneous development of large-sized industry and medium and small-sized industry as another example. This principle is aimed at mobilizing the initiative of the Central Government to develop industry and, at the same time, to mobilize the initiative of the various local authorities to expand industry. China is a country great in area. The development of industry by the Central



Government alone will not be sufficient to quickly realize socialist industrialization.

Therefore, we should mobilize the initiative of the various industrial departments of the Central Government to develop a limited number of modern, large-sized enterprises and, at the same time, mobilize the initiative of local authorities on various levels and fully utilize local materials, and financial and human resources to develop a large number of medium and small-sized enterprises and also enterprises based on simplified equipment in undertaking production. It is quite apparent that through such a device, socialist industrialization in China will be able to proceed at a much higher speed.

To reflect the will of the masses and trust the power of the masses to develop as much as possible, the subjective initiative of the masses is the primary revolutionary spirit of Marxism and Leninism. We should admit that objective material conditions assume primary importance, but this does not mean that we are impotent to change the objective material conditions. Lenin said: "Human reasoning not only reflects the objective world, it also creates the objective world."<sup>1/</sup>

Comrade Mao Tse-tung regarded human reasoning as self-consciousness and made a correct estimation of such self-consciousness. He stated in his book "On Persistent War," written in the early period of war against Japan: "Those who direct warfare should not expect a victory unwarranted by objective conditions, but may and must actively seek victory in war within the limitation of objective conditions. The stage on which commanding officers may maneuver should be founded on possible objective conditions, but they may still use the stage to produce many vivid and valiant dramatic performances."

At present, the characteristics of poverty and backwardness in China have not yet been basically changed. Our material technological conditions are still far behind the economically advanced countries. However, because of the fact that we have a general line for fully mobilizing the

<sup>1/</sup> Lenin: "Notes on Philosophy," Jen-min Ch'u-pan-she [People's Publishing Company], 1957, page 199.

masses and all the positive factors, we shall be able to greatly enhance the speed of developing the national economy.

### III.

In the course of the rapid development of the national economy of China during the period of the First Five-Year Plan and in 1958, the various departments maintained an appropriate, balanced relationship. Saying that our national economy is "proportionally unbalanced" and "overwhelmingly tense" is a slanderous accusation made by the reactionaries within and outside the nation.

According to the Marxist principle concerning production, the most important proportional relationship in the national economy is the one between the production of producer goods and that of consumer goods in the course of social production. The proportional relationship between these two important sectors reveals itself in practical economic activities pertaining to heavy industry, light industry and agriculture.

During the period of the First Five-Year Plan, heavy industry, light industry and agriculture in China were simultaneously developed. The output of heavy industry increased by 210.5 percent; light industry increased by 83 percent, and agriculture increased by 25 percent. In 1957, the gross value of industrial output advanced to 56.5 percent of the total value of industrial and agricultural products from 41.5 percent in 1952; and the value of heavy industry output in 1957 increased to 48.4 percent of the total value of industrial output from 35.6 percent in 1952.

Such speed of development and change in proportion should not be regarded as a result of imbalance. Viewing the actual conditions, we may discern that during the period of the First Five-Year Plan in China, the production of heavy industry ensured meeting the needs of tremendous development of state construction, and the production of light industry and agriculture ensured meeting the needs of a gradually improving life of the people. Thus, we should say that there was an appropriate proportional relationship among them.

Take the proportional relationship during the 1958 great leap forward as an example. In 1958, industrial output increased by 66 percent, agricultural output increased by 25 percent, and the value of industrial output advanced to 63.6 percent of the total value of industrial and agricultural products from 56.5 percent in 1957. Compared with the situation in the period of the First Five-Year Plan, agricultural production in 1958 proceeded at a relatively higher speed. During that year, the output of heavy industry increased by 103 percent, with its gross value rising to 57.3 percent of the total industrial output value from 48.4 percent in 1957.

In the meantime, the output of light industry also registered an increase of 34 percent. Although the proportion of its value in the total industrial output declined from 51.6 percent in 1957 to 42.7 percent, the speed of the development of light industry production was still higher than in the period of the First Five-Year Plan. In view of these results, we should not regard the proportions of heavy industry, light industry and agriculture in 1958 as being imbalanced, or, rather, seriously imbalanced.

In the course of developing the production of heavy industry in 1958, we adopted a policy of "centering on steel production to effect an all-round leap forward." At the present time, steel and iron are particularly needed in our state construction. You are aware of the facts that only after a rapid development, of the steel and iron industry can the machinery industry be rapidly developed, and only after we produce a large quantity of steel, iron and machines can the heavy industry and the entire national economy be smoothly expanded.

In 1958, steel production in China increased by 49.5 percent (107 percent if steel produced by indigenous methods is included), iron production increased by 60 percent (131 percent if iron produced by indigenous methods is included). This gave an impetus to the development of the entire heavy industry sector.

During the same year, the output of coal increased by 108 percent, power generating equipment by 304 percent, machine tools by 79 percent, locomotives by 110 percent, automobiles by 113 percent, civilian-use ships by 67 percent, power-machinery by 190 percent, and paper-manufacturing equipment by 114 percent.

Other important heavy industry products, such as electricity, petroleum and cement also made large increases in 1958, the outputs of these three items rising by 42 percent, 55 percent, and 36 percent respectively as compared with 1957.

From these figures we can hardly conclude that there was imbalance in proportion with respect to the production of various industries. On the contrary, these facts prove that the policy of "centering on steel production to effect an all-round leap forward" is entirely correct.

To achieve high-speed development in adequate proportion, or to attain a leap forward with a balanced relationship, is certainly not an easy task. We still need to continue to acquire and consolidate past experiences in order to realize balanced development during the great leap forward. It is inevitable that there are some defects occurring here and there in our practical planning work, resulting in individual, partial and temporary instances of imbalance in certain secondary links of the national economy.

This is understandable. Such imbalance is entirely different from that arising out of mis-proportion in the development of principal links in the national economy. Individual, partial and temporary imbalance can be easily eliminated. As proved by the above-mentioned facts, the economic activities in 1958 did not reveal a phenomenon of serious imbalance. On the contrary, proportional relationships among principle links were further improved and became more appropriate.

The reason why we were able to maintain appropriate proportions among the principal links during the great leap forward was that we had adopted a series of policies of "simultaneous development" in developing our national economy. As stated above, the general line for socialist construction embodies such basic principles as simultaneous development of industry and agriculture, simultaneous development of central government controlled industry and local industry, and simultaneous development of large scale industry and medium and small scale industry.

In the course of implementing the general line during 1958, we further added the principles of simultaneous development of heavy industry and light industry, and simultaneous development of production by foreign methods and

by indigenous methods. Thorough enforcement of these principles will enable us to ensure high-speed development of the national economy, and also ensure a proportional development in the various departments of the national economy. For instance, to implement the principles of simultaneous development of industry and agriculture and simultaneous development of heavy industry and light industry will not only enable us to adequately deal with the proportional relationship between the two principal categories in production, producer goods and consumer goods.

It will also make it possible to properly deal with the relationship between state construction and the life of the people, and the proportion of capital accumulation and consumption in the distribution of national income. That is, to ensure a continuous enlarged scale of state construction and rapid increase in social accumulation and, at the same time, to ensure a gradual elevation of the standard of living of the people and a continuous increase in social consumption.

To take another example, the adoption of the principles of simultaneous development of central government controlled industry and local industry, simultaneous development of large-scale industry and medium and small scale industry, and simultaneous development of production by foreign methods and by indigenous methods makes it possible to adequately distribute productive forces so that production may take place close to the areas supplying raw materials, fuel and power resources. This also ensures placement close to the principal districts for consuming industrial and agricultural products.

In addition, the adoption of these principles results in appropriate geographical distribution and overall expansion of industries, and facilitates direct combinations of and mutual support between industry and agriculture.

To adapt yearly and long-term plans for the national economy as much as possible to the requirement for proportionally developing the various economic sectors is a very important task of planning organs. We need hard learning and continuous consolidation of our past work experiences and, at the same time, we should seriously learn from the Soviet Union its abundant experiences pertaining to the national economic planning over the past forty years. It is our party's persistent attitude to seriously learn

advanced experiences from the Soviet Union and other socialist countries, and combine the universal truth of Marxism and Leninism with the practical situation in China. There should be no exception with respect to the work of planning.

Through the practice of the last few years we have come to realize that planning personnel should seriously study economic and technical conditions in order to make proper arrangements for human, and material and financial resources. Particularly important is that we should follow the Party's general line, and its principles and policies so that the planning work may proceed in a clear and positive direction. Once the political, economic and technical factors are closely combined in the planning work-with politics assuming the commanding position--we shall be able to formulate yearly plans and long-term plans for the national economy which comply with the requirements of socialist economic laws, and also the requirements for the rapid development of the socialist economy.

On the occasion of the Tenth Anniversary of the founding of the People's Republic of China, I should emphasize that during the decade of socialist construction, the Chinese people have received great and brotherly assistance from the people of the great Soviet Union including assistance in planning work. The glorious achievements on the economic front attained by the Chinese people in the last decade cannot be separated from the assistance afforded by the great Soviet Union.

The people of the great Soviet Union are struggling for the fulfillment ahead of schedule of the Seven-Year Plan for an all-round communist construction under the leadership of the great Communist Party of the Soviet Union. The working enthusiasm of the people of the Soviet Union has greatly stirred the Chinese people. In order to attain further development of the economies in the socialist camp, the Chinese people will continue to advance along the road of building socialism.

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